

Message Text

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PAGE 01 STATE 003891
ORIGIN EB-07

INFO OCT-01 IO-13 ISO-00 AID-05 COME-00 ITC-01 AGRE-00
CEA-01 CIAE-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CIEP-01 SS-15 STR-04
TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 /088 R

DRAFTED BY EB/OT/GCP:SLYNN:JM
APPROVED BY EB/OT/GCP:JSLATTERY
AID/PPC/PDA:LPEREZ
AID/PPC/IA:LLAUFER
COMMERCE:ICOSIMI

-----080011Z 109390 /70

R 072136Z JAN 77
FM SECSTATE WASHDC
TO USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ETRD, ITC, EAID

SUBJ: COMMENTS ON ITC PROJECT PROPOSAL FOR FURTHER
MARKET OPPORTUNITIES THROUGH GSP

1. USG HAS REVIEWED SUBJECT PROPOSAL, AND IS WILLING TO
SERIOUSLY CONSIDER FINANCING APPROPRIATE SHARE OF THE
COST, PROVIDED FOLLOWING COMMENTS ARE ADEQUATELY TAKEN
INTO ACCOUNT. AID ATTACHE REQUESTED REVIEW COMMENTS WITH
ITC DIRECTOR SANTIAPILLAI AND REPORT RESULTS ASAP.

2. COMMENTS WITH REGARD TO PHASE I:

A. THE SELECTION PROCESS OF EXPORTING COUNTRIES SHOULD
NOT BE MADE ON A "FIRST COME FIRST SERVE" BASIS BUT SHOULD
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INVOLVE AN ITC DECISION TAKING ABILITY TO INCREASE EXPORTS
AND NEED FOR ASSISTANCE INTO ACCOUNT. ATTEMPTS SHOULD
BE MADE TO GIVE THE LOW INCOME COUNTRIES INCLUDING
LEAST DEVELOPED COUNTRIES AN EQUAL OR BETTER CHANCE AT SUCH
OPPORTUNITIES AS THEY ARE ABLE TO HANDLE.

B. IN SELECTING THE 15 PRODUCT GROUPS IN THE FIRST PHASE,

CONSIDERATION SHOULD ALSO BE GIVEN TO THE PRICE DEMAND ELASTICITY AND THE COMPETITIVE STRUCTURE OF IMPORT

MARKETS OF THE PRODUCTS BEING CONSIDERED, WHICH WILL DETERMINE THE LIKELIHOOD THAT A TARIFF CUT WILL BE REFLECTED IN LOWER CONSUMER PRICES.

C. WHEN DOING THE SUPPLY INVENTORY ASSESSMENT OF PHASE I, CONSIDERATION SHOULD BE GIVEN TO ANY TRADE BARRIERS IN EXPORTING COUNTRIES THAT MIGHT NOT ALLOW AN EXPANSION OF EXPORTS. GOVERNMENT POLICIES OR LACK OF INFRASTRUCTURE FACILITIES MIGHT BE SOME OF THE BARRIERS WHICH MIGHT LIMIT THE GROWTH OF EXPORTS. IN THIS CONNECTION, IT WILL PROBABLY BE VERY ADVISABLE TO GET THE COOPERATION OF EXPORT PROMOTION AGENCIES OR TRADE ASSOCIATIONS TO PROVIDE THIS INFORMATION DURING PHASE I. THESE AGENCIES COULD LATER ON PROVIDE THE COUNTERPART TO THE ITC STAFF IN PHASE II.

D. A.I.D. FINANCING SUPPORT TO THIS PROJECT WOULD BE SUBJECT TO HAVING THE U.S. MARKET INCLUDED IN THE STUDY. FYI: AID ATTACHE SHOULD ATTEMPT IN INFORMAL AND LOW-KEY MANNER TO DIRECT ITC STUDIES AWAY FROM HIGHLY SENSITIVE PRODUCTS IN US GSP LIST SINCE WORK ON THESE PRODUCTS MIGHT BE COUNTER-PRODUCTIVE. END FYI

E. THE WORLD TRADE INSTITUTE OF NEW YORK CITY HAS EXPERIENCE IN PROMOTING LDC EXPORTS IN THE US MARKET AND COULD DO THE FIELD WORK FOR THE U.S. MARKET. THERE LIMITED OFFICIAL USE

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ARE OTHER SIMILAR INSTITUTIONS IN OTHER COUNTRIES WHICH COULD DO THE WORK AS AD HOC CONSULTANTS. THESE ARRANGEMENTS HAVE THE ADDITIONAL BENEFIT OF ENCOURAGING COOPERATION AMONG INSTITUTIONS WORKING IN THIS FIELD.

3. COMMENTS WITH REGARD TO PHASE II:

A. IT IS IMPORTANT TO DO A REALISTIC ASSESSMENT OF THE EXPORT SUPPLY POSSIBILITIES OF BENEFICIARY COUNTRIES IN PHASE II. THE WORK IN PHASE II COULD BUILD UPON THE INFORMATION OBTAINED IN PHASE I IF THE SUPPLY PROBLEMS ARE TAKEN INTO CONSIDERATION AT THAT EARLY STAGE.

B. WAYS SHOULD BE FOUND OF MAKING THE RESULTS OF THE MARKETING STUDY AVAILABLE TO BENEFICIARY COUNTRIES OTHER THAN THE DEVELOPING COUNTRY ORIGINALLY CHOSEN. THIS COULD BE DONE BY INVITING OTHER COUNTRIES REPRESENTATIVES TO THE SEMINAR TO BE HELD AT THE END OF PHASE II IN THE SELECTED DEVELOPING COUNTRY OR BY MAKING THE RESULTS

AVAILABLE TO OTHER COUNTRIES THROUGH PUBLICATIONS.

C. THE COST OF THE FIRST PHASE OF THE PROJECT, 79,900 DOLLARS, WILL BE FINANCED BY UNDP FUNDS. A.I.D. IS WILLING TO SERIOUSLY CONSIDER FINANCING AN APPROPRIATE SHARE OF THE COST OF THE SECOND PHASE, 218,880 DOLLARS, PROVIDED THAT THE COMMENTS MENTIONED ABOVE ARE ADEQUATELY TAKEN INTO ACCOUNT. CLARIFICATION SHOULD ALSO BE SOUGHT ON THE DIFFERENCES IN THE BUDGETS PRESENTED FOR PHASE II FOR EUROPEAN AND OTHER MARKETS. ARE SEPARATE BUDGETS PRESENTED TO MAKE THE POINT THAT EUROPEAN STUDIES ARE LESS EXPENSIVE?
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ORIGIN EB-02

INFO OCT-01 IO-02 ISO-00 /005 R

66011
DRAFTED BY EB/OT/GCP-SLYNN
APPROVED BY EB/OT/GCP-SAHMAD
-----280931Z 079753 /10
R 280106Z JAN 77
FM SECSTATE WASHDC
TO USMISSION USUN NEW YORK

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FOL REPEAT STATE 003891 ACTION GENEVA DTD 7 JAN.

QUOTE

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E.O. 11652: N/A

TAGS: ETRD, ITC, EAID

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3642073
Secure: OPEN
Status: NATIVE
Subject: COMMENTS ON ITC PROJECT PROPOSAL FOR FURTHER MARKET OPPORTUNITIES THROUGH GSP
TAGS: ETRD, EAID, ITC
To: GENEVA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/378830dc-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
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22 May 2009
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